

Message Text

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PAGE 01 STATE 010182
ORIGIN XMB-04

INFO OCT-01 EA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 /055 R

XMB

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P 132152Z JAN 78
FM SECSTATE WASHDC
TO AMEMBASSY KUALA LUMPUR PRIORITY

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E.O. 11652: N/A

TAGS: EFIN, MY

SUBJECT: MALAYSIA/SALE OF FOUR 25 MW GAS TURBINE POWER
PACS TO NATIONAL ELECTRICITY BOARD - PRELIMINARY COMMIT-
MENT NO. 78-0-4089

REFERENCE: PRELIMINARY COMMITMENT LETTER TO UNITED
TECHNOLOGIES DATED DECEMBER 1, 1977

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1. UNITED TECHNOLOGIES HAS INFORMED EXIMBANK THAT ALSTHOM
OF FRANCE HAS OFFERED FRENCH FRANC FINANCING WITH ONE-THIRD
OF FINANCING AT 3 PERCENT PER ANNUM AND 15 YEAR REPAYMENT
FROM GOVERNMENT OF FRANCE AND TWO-THIRDS OF FINANCING AT
RATE NOT TO EXCEED 7.5 PERCENT PER ANNUM AND 10 YEAR RE-
PAYMENT FROM TRADITIONAL EXPORT CREDIT SCHEME.

2. TELEPHONE CONTACT WITH FRENCH EXPORT CREDIT AGENCY
COFACE REVEALED THAT COFACE HAS BEEN APPROACHED WITH SUCH

A PROPOSAL BUT THAT A DECISION WILL NOT BE MADE TILL END
OF MONTH.

3. EXIMBANK WILL CONTINUE TO PURSUE STATUS OF FINANCING
OFFER WITH COFACE. IF COFACE DECIDES TO SUPPORT
PREVIOUSLY DESCRIBED MIXED CREDIT, EXIMBANK WILL GIVE
SERIOUS CONSIDERATION TO CHANGING TERMS OF ITS PRE-
LIMINARY COMMITMENT TO BE COMPETITIVE WITH EFFECTIVE
COST AND REPAYMENT TERM OF TWO-THIRDS OF MIXED CREDIT
FROM TRADITIONAL EXPORT CREDIT SCHEME.

4. IN ARRIVING AT EFFECTIVE COST OF EXPORT CREDIT
PORTION OF MIXED CREDIT, CUSTOMARY INSURANCE PREMIUMS
AND BANK COMMISSIONS WHICH NORMALLY TOTAL .7 PERCENT
ARE ADDED TO 7.5 PERCENT RATE. THESE CHARGES ARE
OFTEN ABSORBED BY FRENCH SUPPLIER. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, NATIONALS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE010182
Document Source: CORE
Document Unique ID: 00
Drafter: K A WICKETT:TAS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780021-0211
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780164/aaaaccem.tel
Line Count: 78
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Litigation Codes:
Litigation History:
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
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